

**IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
SAN ANTONIO DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**-against-**

**ROBERT J. MUELLER, DEEPROOT FUNDS  
LLC (a/k/a dprt Funds, LLC), AND POLICY  
SERVICES INC.,**

**Defendants,**

**-and-**

**DEEPROOT TECH LLC, DEEPROOT  
PINBALL LLC, DEEPROOT STUDIOS LLC,  
DEEPROOT SPORTS & ENTERTAINMENT  
LLC, DEEPROOT RE 12621 SILICON DR LLC,  
AND ROBERT J. MUELLER, JEFFREY L.  
MUELLER, AND BELINDA G. BREEN, AS CO-  
TRUSTEES OF THE MB HALE OHANA  
REVOCABLE TRUST,**

**Relief Defendants.**

**Civil Action No.: 5:21-cv-785-XR**

**DECLARATION OF SACHIN VERMA**

I, Sachin Verma, pursuant to 28 U.S.C. § 1746, declare as follows:

1. My name is Sachin Verma. I am over twenty-one years of age and have personal knowledge of the matters set forth herein. I submit this declaration in support of the Securities and Exchange Commission's ("Commission's") Response to Defendant Robert J. Mueller's Brief Regarding Use of Funds Subject to Asset Freeze.

2. I am a Certified Public Accountant with over 20 years of experience. I am employed as an Assistant Chief Accountant in the Washington, D.C. office of the Commission. As part of my daily activities, I investigate securities law violations.

3. All amounts referred to in this Declaration are approximate amounts and have been rounded to the nearest dollar.

**I. Financial Records Reviewed**

4. This Declaration is based upon my personal review of financial records such as bank statements, deposits, cancelled checks, wire transfers, signature cards, and other documents for accounts listed on **Appendix A-1** that were produced to the Commission pursuant to subpoenas and document requests (“Financial Records”).<sup>1</sup> It is my understanding that the Defendants and Relief Defendants have not yet completed production of their bookkeeping, accounting, tax, or investor records in response to investigative subpoenas served prior to the filing of the Complaint. As a result, my classification and summarization of Financial Records in this Declaration may change based on additional information that may be produced at a later date.

**II. Deposits From Deeproot Investors**

5. Between September 24, 2015 and February 2, 2021, approximately \$58,789,759 of investor funds were deposited into one or more of the Defendants’ corporate bank accounts listed on **Appendix A-1** (“Deeproot Accounts”)

6. Based on documentation provided to date, since October 29, 2020, the date the Defendants were served with an investigative subpoena from the Commission, investors have deposited or transferred at least \$7,246,365 into Deeproot Accounts.

7. Based on documentation provided to date, between May 24, 2021, after Mr. Mueller’s counsel was informed that Mr. Mueller would be subpoenaed to testify before Commission Staff, and August 10, 2021, at least \$3,780,193 of investor funds for either the 575 Fund or the DRGD Fund were deposited into the Deeproot Accounts.

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<sup>1</sup> If requested I am prepared to provide, through the Commission’s attorneys, copies of all the Financial Records used to prepare this Declaration.

8. Based on documents provided to date, investors deposited or transferred approximately \$155,647 into Deeproot Accounts after June 25, 2021, that date on which Commission Staff advised Mueller's counsel that they were going to recommend to the Commission that it file this securities fraud enforcement action against Mueller and the entity Defendants and Relief Defendants.

### **III. Life Insurance Policy Transactions**

9. From October 30, 2015 to February 4, 2021, the Financial Records show approximately \$10,623,288 in expenditures for the purchase or maintenance (premium payments) of life insurance policies.

### **IV. Transfers from the Deeproot Accounts to Relief Defendants**

10. From January 5, 2016 to February 12, 2021, Defendants transferred approximately \$31,935,928 from the Deeproot Accounts to, or for the benefit of, bank, corporate, credit card, and other accounts owned or controlled by the Relief Defendants ("Relief Defendant Accounts").<sup>2</sup> Specifically:

- a. between March 29, 2017 and February 12, 2021, \$13,487,743 was transferred from Deeproot Accounts to Relief Defendant Deeproot Tech LLC;
- b. between April 15, 2019 and February 12, 2021, \$3,621,512 was transferred from Deeproot Accounts to Relief Defendant Deeproot Studios LLC;
- c. between January 19, 2016 and July 18, 2017, \$160,447 was transferred from Deeproot Accounts to Relief Defendant Deeproot Sports & Entertainment LLC;

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<sup>2</sup> For purposes of this Declaration, I am using the term "transferred" to include direct transfers, but also the many instances in which the Defendants used funds from the Deeproot Accounts to pay the credit card and other expenses of the Relief Defendants. If requested, however, I am prepared to break out separately: (1) direct transfers from Deeproot Accounts to the Relief Defendants; and (2) payments made on the Relief Defendants' behalf.

- d. on January 8, 2021, \$644,535 was transferred from Deeproot Accounts to Relief Defendant Deeproot Re 12621 Silicon Dr LLC;
- e. between November 15, 2016 and August 10, 2018, \$329,054 was transferred from Deeproot Accounts to Relief Defendant MB Hale Ohana Revocable Trust; and
- f. between May 1, 2015 and February 11, 2021, Mr. Mueller also used bank accounts in deeproot Funds' and PSI's names to make approximately \$13,692,637 million in payments that, based on my review of the Financial Records, appear to be for the benefit of the Relief Defendants.

V. **Expenditures From the Deeproot Accounts For the Benefit of Robert J. Mueller**

11. From January 1, 2016 to July 19, 2019,<sup>3</sup> exclusive of salary payments, at least \$1,537,666 from the Deeproot Accounts was used for Mr. Mueller's or his family's personal benefit, including, but not limited to, the following:

- a. payments totaling \$87,057 made between February 1, 2016 and February 5, 2019 to St. Mary's Hall, a private school in San Antonio, Texas attended by Mr. Mueller's child;
- b. payments totaling \$54,977 made between April 4, 2016 and March 4, 2019 to Disney Cruise Lines;
- c. payments totaling \$11,486 made between February 27, 2017 and March 7, 2019, to Princess Cruises;

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<sup>3</sup> During this time, Mr. Mueller and his former (second) wife used American Express credit cards issued in the name of National Wealth Solutions LLC – a dormant entity controlled by Mr. Mueller – to make purchases of a personal nature, and used a Policy Services' account at Wells Fargo (-3081) to pay the credit card bills.

- d. payments totaling \$23,100 made on January 12, 2017 and August 10, 2018 to Tabora Gallery LLC, an art gallery in Hawaii;
- e. payments totaling \$70,298 made between December 22, 2017 and January 9, 2019 to physician Dr. Spencer Hardenbrook, MD;
- f. payment of \$6,500 on December 12, 2017 to Rebecca Carrillo, an attorney who represented Mr. Mueller in his second divorce proceeding;
- g. payments totaling \$9,050 made on December 15, 2018 and January 12, 2019 to James R. Van Winkle of Americus Diamond, a jeweler in San Antonio, Texas;
- h. \$34,012 paid on March 8, 2019 to Lux Catering and Events in Salt Lake City, Utah for wedding catering;
- i. payments totaling \$17,538 made between January 1, 2019 and March 3, 2019 to Michelle Leo Events in Salt Lake City, Utah for wedding planning; and
- j. payments totaling \$85,500 made on April 14, 2016, October 13, 2016, and April 18, 2017 to Link2Gov Corp for personal income tax payments.

## **VI. Recent Expenditures**

12. As stated above, since October 29, 2020 information provided to date indicates that investors have invested at least \$7,246,365.

13. As of August 31, 2021 there was a total of \$134,969 remaining in the Deeproot Accounts. Thus, between October 29, 2020 and August 31, 2021, expenditures totaling at least \$7,111,396 (i.e., \$7,246,365 minus the \$134,969 that was frozen by the Court) have been made from the Deeproot Accounts, which included payments of \$86,947 for life insurance policy premiums.

14. Since October 29, 2020, out of at least \$7,111,396 in expenditures, a total of \$0 have been used to purchase new life insurance policies.

**VII. Ponzi-like Payments to Earlier Investors**

15. Based on my review of the Financial Records and applying a conservative interpretation of such Financial Records,<sup>4</sup> between September 24, 2015 and February 11, 2021, at least \$836,218 in new investor deposits were used to make Ponzi-like payments to earlier deeproot investors. Separately, roughly \$177,249 was paid to investors in November 2020 using the proceeds of a loan obtained by Mr. Mueller.

16. Financial Records for the period February 12, 2021 through April 30, 2021 have not been produced in full to the SEC by Defendants or from their financial institutions. However, based on available records, and again using the same conservative approach, from May 1, 2021 through August 31, 2021, it appears that at least \$151,668 in new investor deposits were used to make Ponzi-like payments to earlier deeproot investors.

**VIII. Authority Over Accounts**

17. Based on my review of the Financial Records, Robert J. Mueller was, or is, a signatory or primary account holder on the Deeproot Accounts and the Relief Defendant Accounts.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith based upon my review of the Financial Records, as well as other documents or information produced the Commission. Executed on this 6th day of October 2021.

/s/ Sachin Verma  
Sachin Verma

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<sup>4</sup> This approach gave Defendants the benefit of the doubt with regard to any income received from any source during this period and crediting it towards the payment of investors without regard to expenses or other payments made during this same period.

## **Appendix A-1**

### **List of Deeproot Accounts**

| Entity                             | Institution Name      | Last 4 Digits of Account | Account Type                         | Signatory 1      | Date Opened | Signatory 2      | Date      |
|------------------------------------|-----------------------|--------------------------|--------------------------------------|------------------|-------------|------------------|-----------|
| Deeproot (aka Dprt) Funds LLC      | Wells Fargo Bank N.A. | -2385                    | Wells Fargo Simple Business Checking | Van L Gunnell    | 6/24/2013   | Robert J Mueller | 6/24/2013 |
| Deeproot (aka Dprt) Funds LLC      | Wells Fargo Bank N.A. | -2534                    | Wells Fargo Simple Business Checking | Van L Gunnell    | 6/24/2013   | Robert J Mueller | 6/24/2013 |
| Deeproot 575 Fund, LLC             | Wells Fargo Bank N.A. | -8673                    | Gold Business Service Package        | Robert J Mueller | 1/23/2015   |                  |           |
| Deeproot Growth Runs Deep Fund LLC | Wells Fargo Bank N.A. | -1354                    | Wells Fargo Simple Business Checking | Robert J Mueller | 5/30/2014   |                  |           |
| Policy Services, Inc.              | Wells Fargo Bank N.A. | -8461                    | Gold Business Service Package        | Glenn R Hagan    | 6/1/2012    | Robert J Mueller | 6/1/2012  |
| Policy Services, Inc.              | Wells Fargo Bank N.A. | -8487                    | Wells Fargo Simple Business Checking | Glenn R Hagan    | 6/1/2012    | Robert J Mueller | 6/1/2012  |
| Policy Services, Inc.              | Wells Fargo Bank N.A. | -3081                    | Gold Business Service Package        | Glenn R Hagan    | 9/21/2012   | Robert J Mueller | 9/21/2012 |
| Policy Services, Inc.              | Wells Fargo Bank N.A. | -3099                    | Wells Fargo Simple Business Checking | Glenn R Hagan    | 9/21/2012   | Robert J Mueller | 9/21/2012 |
| Deeproot Tech, LLC                 | Wells Fargo Bank N.A. | -6575                    | Wells Fargo Simple Business Checking | Robert J Mueller | 3/13/2017   |                  |           |
| Deeproot Studios LLC               | Wells Fargo Bank N.A. | -6415                    | Wells Fargo Business Choice Checking | Robert J Mueller | 2/21/2019   |                  |           |
| Deeproot Pinball LLC               | Wells Fargo Bank N.A. | -5571                    | Wells Fargo Simple Business Checking | Robert J Mueller | 5/20/2015   |                  |           |
| Deeproot Wealth Advisors LLC       | Wells Fargo Bank N.A. | -1255                    | Wells Fargo Simple Business Checking | Robert J Mueller | 4/11/2014   | Glenn R Hagan    | 4/11/2014 |
| Dprt Advisory Services LLC         | Wells Fargo Bank N.A. | -2526                    | Gold Business Service Package        | Aaron F Flores   | 6/24/2013   | Robert J Mueller | 6/24/2013 |
| <b>Credit Card Accounts:</b>       |                       |                          |                                      |                  |             |                  |           |
| Deeproot Tech, LLC                 | American Express      | -1003                    | American Express Card                | Robert J Mueller |             |                  |           |
| Policy Services, Inc.              | American Express      | -2003                    | American Express Card                | Robert J Mueller |             |                  |           |
| National Wealth Solutions LLC      | American Express      | 1001                     | American Express Card                | Robert J Mueller |             |                  |           |